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# REPORT OF THE EXPERT MEETING ON HUMAN RESOURCES DEVELOPMENT AND TRAINING IN TRADE-SUPPORTING SERVICES: KEY TO GROWTH WITH SPECIAL POTENTIAL FOR LDCs

Held at the Palais des Nations, Geneva,
from 13 to 15 December 2000

## CONTENTS

**Chapter** **Page**

I. Outcome of the Expert Meeting ..... 2

II. Chairperson's summary ..... 6

III. Organizational matters ..... 10

**Annex**

Attendance ..... 12

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## I. OUTCOME OF THE EXPERT MEETING

1. The experts consider that human resources development (HRD) in trade-supporting services has an enormous potential for sustainable development, and that appropriate action should be given priority attention by Governments, communities and enterprises.

2. While HRD and training for trade-supporting services are essential for all developing countries, LDCs may derive comparatively greater benefit from related action and in particular from cooperative action among themselves and with other countries.

3. Having examined the status of trade-supporting services in developing countries and the scope for improvement through HRD, the experts considered strategies and reached conclusions about action to be recommended.

4. To achieve and support the application of effective policies, action needs to be taken within countries and by international agencies. The proposals set out below, which relate specifically to trade-supporting services, will facilitate and significantly enhance those services' contribution to growth through the generation of trade, with positive effects on quality of life and poverty alleviation. Above all, countries should have a strong policy for HRD with respect to trade-supporting services and should apply it faithfully; this should be pursued so as to remain sustainable regardless of external assistance which may be provided beneficially from time to time. The role of the international agencies should be to persuade and to facilitate fulfilment of this goal.

5. Proposals for action within countries include the following:

(a) Governments should adopt a policy framework for HRD, which should be developed jointly by government and the private sector. The framework should include the concept of national councils for HRD in trade-supporting services, which would be public/private partnerships. Business-sector organizations, which may be interested in providing a nodal agency as a focus for action, should apply policies within the framework;

(b) To encourage the application and adoption of policy action, awareness raising needs to start promptly; this may be initiated by local institutes for management or public administrations, but should be supported by programmes undertaken by international bodies;

(c) The effective application of HRD will be greatly enhanced by the existence, at local or regional level, of high-quality HRD institutions for trade-related services, covering training, advisory, analytical and research functions. These should be developed from or within existing institutions; government, business-sector and international/regional institutions should all collaborate in setting them up;

(d) Regional and international cooperation is essential for expanding and improving HRD and for keeping practices up-to-date, especially in LDCs. Such cooperation, by communities, institutes and businesses, needs to be encouraged by government policies; it may be reinforced through networking programmes of UN agencies. Further, the business sector should investigate professional contacts that may be a source of cooperation in HRD;

(e) Training is only one component of HRD; training services should be developed by countries bearing in mind the need for regulatory and institutional change to make training and HRD effective;

(f) Bearing in mind the need to give HRD in trade-supporting services highest priority, there is need to develop common standards and procedures in the conduct of the professional duties concerned, so public/private sectors must take initiatives towards the creation of national standards, with simplification and consolidation of procedures, to promote professionalism and facilitate coherent HRD;

(g) The private sector must recognize the need to use advocacy and lobbying so as to gain highest priority for HRD in trade-related services;

(h) Businesses need policies reached by mutual agreement that recognize the performance achievements that can be reached by personal competence, the definition of qualifications, the measurement of performance and the constraints imposed through HRD to achieve higher standards.Government, the business community and individual businesses should cooperate in their respective ways so that policies use the role of the private sector as a motor in implementing HRD policies and measures.In particular, businesses should:

(i) Define a vision statement based on self confidence and commitment to use internal resources rather than rely on external assistance and funding;

(ii) Use indicators to measure the impact of steps taken to improve HRD;

(iii) Ensure that line managers are intimately involved in the implementation of HRD policy, including identifying and applying career plans and motivational measures that are psychological and financial and involve peer comparison and promotion;

(iv) Notwithstanding the need for self-reliance, encourage external cooperation and assistance in plans made by the company, Government and private sector;

(v) Bear in mind that mobility of human resources, wherein people change company to gain experience, can be highly beneficial provided it happens within a career plan and is not assimilated with turnover of staff and its negative impact;

(i) The policy framework for HRD should help the private sector in consolidation of trade supporting services by encouraging the adoption of privatization or concession policies for transport infrastructures and providers, commercial viability studies, reduced bureaucracy, and stimulation of commercial strategies and marketing of services. In particular, the role of the private sector should be reinforced by measures that:

(i) Encourage and support the public business sector in efforts for adaptation to free market rules, thus promoting competition which motivates HRD;

(ii) Help the private sector to establish incentives for continuous training inside and outside the enterprise, including fellowships for acquiring and upgrading of skills in the framework of sound career plans;

(iii) Change attitudes so that training is seen as an investment instead of simply a cost with marginal benefit;

(iv) Support general efforts to retain qualified manpower;

(v) Establish mechanisms for exchange of expertise among LDCs.

6. Action by the international community is particularly important in relation to HRD for trade-supporting services. Several international agencies have an important role to play, and their efforts need to be coherent to encourage best use of resources. The involvement of UNCTAD has been emphasized in the Bangkok Plan of Action with its emphasis on capacity building, so it would be appropriate that UNCTAD, in cooperation with ITC, take initiatives to encourage international and regional agencies to work together on HRD to avoid duplication, to create synergies and to expand capacity.

7. Proposals for action by international agencies, and in particular UNCTAD, should include:

(a) Drafting a model policy framework for HRD that countries can adapt to local circumstances, and further assisting LDCs to develop an HRD framework that takes into account the market needs of the LDCs and their learning capacities, as well as the learning needs of individuals involved in trade-supporting services;

(b) Stressing the need for Governments to establish national councils for HRD in trade-supporting services, developing a structure for a national nodal agency, and assisting in development of strategic plans by analysing and incorporating the best practices at the global level;

(c) Organizing meetings, exchanges, and dissemination of effective practice in order to maintain the commitment of all stakeholders in the development of trade in LDCs, and supporting international exchanges between LDCs and developed and developing countries in order to improve international trade through sharing of experience among people engaged in trade-supporting services;

(d) Encouraging developing countries to set aside an adequate training budget, possibly linked to debt relief for LDCs with a view to ensuring money is used for training and supplementing this by seeking funds and assistance to improve management capacity and provide other training opportunities through assistance programmes designed and implemented in such a manner as to enable countries to be self-reliant in the shortest possible time;

(e) Encouraging developed countries to contribute, through partnerships and cooperation, to the enhancement of competence in developing countries, and advocating, in connection with the best endeavour clauses covering training in all the WTO agreement and with commitments made at other fora, that support for HRD should be rendered more specific and provided with a time frame;

(f) Reinforcing international programmes for training the trainers and helping to establish or reinforce regional-based training systems so as to enhance training opportunities and optimize use of resources;

(g) Exploring and making recommendations on the role of communities in trade-supporting services and the ways in which HRD can be enhanced by cooperation across communities;

(h) Facilitating statistical research in HRD in developing countries, and specifically for LDCs, including research on issues such as education of women and children;

(i) Recommending steps and policies for Governments to encourage competition among LDC public organizations, with consequent effects on motivation for HRD and benefits to be derived, including for trade-supporting services.

## II. CHAIRPERSON'S SUMMARY

8. Discussion in informal sessions covered five different themes, for each of which there were a number of presentations followed by discussion and the identification of specific points of importance. The first was "HRD for growth". In two presentations, Ms Chua Soh Hoon described the development of the port of Singapore over nearly 40 years and the role of HRD in its success, while Mr Negussie Ambo described the procedures and performance of Ethiopian Airlines, which had established high standards and a high reputation through long-term performance underpinned by HRD. The conclusion was reached that trade-supporting services reinforced through HRD had a key role to play in providing opportunities for trade to grow, and that this was entirely feasible for LDCs.

9. Many indicators of good practice emerged – including national measures such as creation of a focal point for HRD, people development programmes, and creation of standards by certification of jobs – and enterprise measures such as the raising of funds for training through a mandatory levy, quality circles which encourage team work and engagement in performance improvement, the concept of lifelong learning shared by enterprises and post-secondary institutes, training oriented to future roles for the individual, and a community approach to training.

10. "Making a success of HRD" was the next theme. A first presentation was given by Ms Perla Segovia who described the restructuring of the Philippines National Power Corporation, in which transformation of performance was based on HRD policy. While training had been important, results depended on a training support system and a good organizational climate for HRD. However, enthusiasm for training had later waned, which suggested that its benefits were not sufficiently valued, or that maintaining performance was too much trouble for insufficiently motivated management. It was agreed that problems of sustainability and of non-training aspects of HRD needed critical attention.

11. Next Ms Zini Mchunu presented work of the Education with Enterprise Trust, which had helped a large number of communities in South Africa to focus on growth by working together and the adoption of HRD measures across the community. Particular attention was given to the need for Government, community and business to get together, and to the influence of "soft" issues: attitudes had to change in ways that could not be prescribed. It was generally agreed that there was a need for social dialogue, through which everyone could contribute to shaping policy.

12. The theme which followed was "HRD in trade-supporting services". In his presentation, Mr J P Agrawal of Nepal expressed his view as a business man from an LDC that trade-supporting services provided a big opportunity: countries like his needed to succeed in niche markets and these depended on trade-supporting services, most of which were provided by government. Yet despite lots of training the services had not been up to the mark, so improvements needed to be sought both in the training and in the working

environment. A further presentation by Mr Y Aseffa, Secretary General of the African Insurance Organization (AIO), based in Douala, Cameroon, explained the dependence of African business on foreign insurance companies and the need for local training to enhance the services available. This was being done particularly through training of trainers and with the long-term support of UNCTAD. Some countries had recognized the need for insurance competence and provided for a training levy as a percentage of turnover, which had proved an effective means of enabling training services to be provided – particularly through regional colleges. AIO had a successful system to enable experience to be shared between countries; this offered particular potential for LDCs, but it was noted that many smaller countries still felt a need for donor funding to meet their requirements.

13. The next theme considered was "Training at the heart of development". In a presentation bridging from the earlier theme, Ms Geetha Karandawala explained the approach of ESCAP for the improvement of trade-supporting services in Asia and the Pacific. After identifying key issues in the region, she highlighted three issues: the benefits of working with many willing partners in the field of HRD – from Singapore Polytechnic to the TRAINMAR programme of UNCTAD; the rapport between private and public sectors so that both played an effective role in improved trade-supporting services; and the growing importance of tutored distance learning to satisfy the demand for constant renewal of training. The vision of ESCAP included helping the region to have a knowledgeable, articulate and confident workforce to drive forward the region's economy. In a second presentation, the UNCTAD secretariat described the uniform methodology and networking fostered by its programmes TRAINFORTRADE and TRAINMAR. Training of trainers was particularly important and close attention was given to the use of new technology. In a presentation that led straight from the previous one, Mr Luis Musolino, from Argentina, warned of the need for caution in the use of technology for training but confirmed the value of using a uniform methodology and networking in training. Using experience with the TRAINMAR Association of South America (ATAS), he explained how institutional stability could be achieved, and quality assured, by using the uniform methodology and networking. He described how ATAS had been able to continue to meet customer needs when the economies of Latin America had been restructured, and the steady expansion of its role, first to Central America and then to countries of the Black Sea – each region quite different from the other. The effectiveness and transferability of the approach appeared well proven, but could succeed only if top-level managers were first convinced of the need to get other levels of staff trained effectively.

14. In continuation of the training theme, a half day was devoted to study of technology-based learning and distance learning in particular. The Coordinator of UNCTAD's TRAINFORTRADE programme described a meaningful strategy for the introduction of distance learning and networking among developing countries. Three providers of training products: IBM, WebCT, and the Open University of Great Britain, described types of product becoming available and likely to be of future value to developing countries. Recent growth in e-learning had been phenomenal, and if the extremely high cost of some applications cold be contained, e-learning would soon have major applications in many developing countries. Some particular points were that:

Distance learning had a long history and was becoming significant now only because of developments in information and communications technology, but products were robust in form and should be accessible to all countries;

Effective learning was not automated, and work at a computer must be supported by tutorship;

Generalist education might be of more value than specialist training, and this lent itself to distance learning because high production costs could be spread over more learners;

The amount of information absorbed by a learner depended on the type of learning support, and while hard text remained important, multimedia methods clearly expanded the potential learning effect.

15. Dr Mohd Youssef made a short presentation of multimedia products. He noted widespread resistance to change, which needed to be overcome if economic progress was to be made, and the value of well designed multimedia learning materials for overcoming this resistance and making training effective. The department that he directed, at the Arab Academy for Science and Technology in Alexandria, Egypt, produced such materials, which he was able to demonstrate. He showed a new product for management of environmental conditions in ports which was the adaptation of a traditional TRAINMAR course: this demonstrated both the power of new technology and the possibilities that already existed for cooperation between developing countries to provide very high-quality training. He too stressed the importance of an instructor and how the limitations on learning exclusively over the Internet, which arose through bandwidth restrictions, could be largely overcome by hybrid materials mixing CD-ROM and the Internet. A final presentation from ILO, including a demonstration of distance learning provided by the ILO centre at Turin, rounded off the presentations on this theme.

16. The fifth theme examined was "Measures to best serve LDCs". Further presentations were made on particular applications of training and HRD in LDCs: Mr Gidafe Abate on training in support of HRD policy in Ethiopia, Mr Claude Lishou on distance learning applied in Mali and neighbouring countries, and Mr Ferdinand Assogba-Dognon on HRD to follow up on training in Benin. These confirmed the potential for modern training and HRD to be put into practice in LDCs. Consideration of this theme was rounded off by a presentation by Mr Chan Sophal on the benefits and limitations of external support based on recent experience of Cambodia, highlighting the importance of internally generated activity wherever possible.

17. Presentations and discussions were accompanied by group work that allowed all experts a chance to contribute views on the very wide number of issues involved. The experts split into small working groups of about six persons to analyse problems, challenges and

solutions. Seven groups, representing the different points of view of government, public and private business sectors and different levels of development, each met and discussed the status of trade-supporting services and their potential for improvement through HRD. Spokespersons for the groups reported to the body of the Meeting and the conclusions reached were the primary source of proposals contained in the outcome of the Meeting.

18. In discussion of the overall findings, there was concern whether UNCTAD would have the capacity to carry out duties that experts felt needed to be taken on by the international community. Concern was allayed by the suggestion that support should be provided from across the international community, but experts felt this needed to be coordinated and suggested that UNCTAD might be the lead agency for this.

19. In group discussion it was agreed that Governments did not give priority to HRD or to trade-supporting services, and that donors would not normally give priority to this type of activity. Governments should be persuaded to give top priority to HRD for trade-supporting services. Undertaking this persuasion was a highly important role that UNCTAD should play. Once convinced, a Government should establish a standing committee to focus on HRD in trade-supporting services, which should include government, academics and business. Government should encourage the private sector to invest in HRD, and this could be facilitated by the allocation of tax breaks and other incentives for training.

20. Discussion also reviewed the role of donor-funded projects to reinforce the introduction of HRD. It was felt that donor projects were often unsuccessful because local resources mobilized during a project were generally not sustained afterwards. Governments needed to be ready to assume their role and this would require greater preparation and advocacy inside and outside the country. A further view was that institutional arrangements were often outdated and that training could be effective only if introduced together with new systems. However, it was also felt that this should not prevent a start being made, as widespread training should improve general competence and this would in itself lead to institutional changes. It was also noted that the roles of the public and private sector could not always be identified uniquely: there was an important role for communities and for NGOs that worked with them. The potential for NGOs to contribute to HRD in trade-supporting services should be given close attention.

## III. ORGANIZATIONAL MATTERS

### A. Convening of the Expert Meeting

21. At the consultations of the President of the Trade and Development Board with the Bureau, coordinators and interested delegations on 31 March 2000, member States decided to convene an Expert Meeting on Human Resources Development and Training in Trade-supporting Services: Key to Growth with Special Potential for LDCs. The decision was made in accordance with the UNCTAD X Plan of Action (TD/386).

### B. Election of officers

(Agenda item 1)

22. At its opening meeting, the Expert Meeting elected the following officers to serve on its Bureau:

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| Chairperson: | Mr. Kodjo Alexandre Aziabu (Togo) |
| Vice-Chairperson-cum-Rapporteur: | Mr. Kailash Kumar Dewan (Nepal) |

### C. Adoption of the agenda

(Agenda item 2)

23. At the same meeting, the Expert Meeting adopted the provisional agenda circulated in document TD/B/COM.3/EM.10/1/Rev.1. Accordingly, the agenda of the Meeting was as follows:

1. Election of officers
2. Adoption of the agenda and organizational work
3. Human resources development and training in trade-supporting services: Key to growth with special potential for LDCs
4. Adoption of the outcome of the Expert Meeting

### D. Documentation

24. For its consideration of the substantive agenda item (items 3), the Expert Meeting had before it a background paper by the UNCTAD secretariat entitles "Human resources development and training in trade-supporting services: Key to growth with special potential for LDCs" (TD/B/COM.3/EM.10/2).

## E. Adoption of the outcome of the Meeting

(Agenda item 4)

25. At its closing meeting, on 15 December 2000, the Expert Meeting adopted the outcome of the Meeting reproduced in section I above.

## Annex

## ATTENDANCE *

1. Experts from the following States members of UNCTAD attended the session:

Albania
Angola
Benin
Brazil
Burkina Faso
Burundi
Cambodia
Cameroon
Cape Verde
China
Colombia
Comoros
Costa Rica
Cote d'Ivoire
Dominican Republic
Egypt
Ethiopia
Finland
France
Gambia
Germany
Ghana
Guinea
Honduras
India
Indonesia
Iran (Islamic Republic of)
Italy
Jordan
Madagascar
Mali
Mauritius
Mauritius
Monaco
Morocco
Mozambique
Nepal
Niger
Nigeria
Oman
Palau
Peru
Philippines
Romania
Russian Federation
Saint Lucia
Sao Tome and Principe
Saudi Arabia
Singapore
South Africa
Spain
Sudan
Tajikistan
Thailand
Togo
Tunisia
Turkey
Uganda
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
Viet Nam
Zambia

2. Palestine attended the session as an observer.

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* For the list of participants, see TD/B/COM.3/EM.10/INF.1.

3. The following intergovernmental organizations were represented at the session:

Arab Labour Organization
League of Arab States
Mano River Union
Organization of the Islamic Conference
South Centre

4. The following specialized agencies were represented at the session:

International Labour Organization
World Health Organization
International Telecommunications Union
World Intellectual Property Organization
United Nations Industrial Development Organization
World Trade Organization

5. The Economic Commission for Europe and Economic and Social Commission for Asia and the Pacific were represented at this session.

6. The following non-governmental organizations were represented at the session:

*Special Category*

International Confederation of Free Trade Unions
World Federation of the United Nations Associations
Engineers of the World

7. The following special invitees attended the session:

Mr. Negussie Ambo, Ethiopia
Mr. Yoseph Aseffa, AIO
Mr. Kailash Kumar Dewan, Nepal
Mr. Belarminio A. Ferreira Lucas, Cape Verde
Mr. Colin W.J.A. Gray, Open University, United Kingdom
Mr. Geethangani Karandawala, ESCAP
Mr. Gidafe Katema Abate, Ethiopia
Mr. Ari Leino, Web CT, Finland
Mr. Claude Lishou, Senegal
Mr. Luis Musolino, Argentina
Ms. Perla Segovia, Philippines
Mr. Pascal Schlittler, IBM, Switzerland
Mr. Aly Youssef Mohamed, Egypt

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